

Please note: These transcripts are not individually reviewed and approved for accuracy.

COMMITTEE MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SUSTAINABILITY AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
1001 I STREET
2ND FLOOR
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

TUESDAY, JUNE 6, 2006

10:00 A.M.

TIFFANY C. KRAFT, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 12277

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Mr. Gary Petersen

Ms. Cheryl Peace

Ms. Pat Wiggins

BOARD MEMBER ALSO PRESENT

Mr. Jeff Danzinger

Ms. Rosalie Mul

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Ms. Debbie Balluch, Executive Assistant

Mr. Elliot Block, Staff Counsel

Mr. Michael Leao, Supervisor, Plastics Recycling
Technology Section

Ms. Yasmin Satter, Staff

Ms. Jill Simmons, Staff

Mr. John Smith, Acting Deputy Director

Ms. Lorraine Van Kekerix, Acting Deputy Director

Mr. Govindan Viswanathan, Staff

Ms. Shirley Willd-Wagner, Branch Manager

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APPEARANCES CONTINUED

ALSO PRESENT

Ms. Katherine Brandenburg, The Flanigan Law Firm

Mr. Evan Edgar, Calilifornia Refuse Removal Council

Mr. Matt McCarron, Senior Waste Management Specialist

Mr. Scott Smithline, Californias Against Waste

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1 PROCEEDINGS

2 CHAIRPERSON PETERSEN: Good morning. I'd like to
3 welcome everybody to the June 6th meeting of the
4 California Integrated Waste Management Board
5 Sustainability and Market Development Committee. As a
6 courtesy -- everybody knows the drill. Pagers and cell
7 phones off, please. Speaker request forms are in the back
8 of the room. If you want to speak on an item, please fill
9 out the forms and get them over to the Deb.

10 Deb, raise your hand. Great.

11 Roll call, please.

12 EXECUTIVE ASSISTANT BALLUCH: Peace?

13 COMMITTEE MEMBER PEACE: Here.

14 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

15 COMMITTEE MEMBER WIGGINS: Here.

16 EXECUTIVE ASSISTANT BALLUCH: Petersen?

17 CHAIRPERSON PETERSEN: Here.

18 Any ex partes?

19 COMMITTEE MEMBER PEACE: I'm up to date.

20 CHAIRPERSON PETERSEN: Okay. I'd like to know if
21 there's anyone in the audience that wants to make any
22 public comment before we start the agenda.

23 Item 8, Deputy Director's Report for Diversion,
24 Planning, and Local Assistance. Lorraine.

25 COMMITTEE MEMBER WIGGINS: I have an ex parte.

1 CHAIRPERSON PETERSEN: Hold on. We have an ex
2 parte.

3 COMMITTEE MEMBER WIGGINS: I just met this
4 morning with Lori Hansen and a couple of the members of
5 the SBI.

6 CHAIRPERSON PETERSEN: Okay. Great.

7 ACTING DEPUTY DIRECTOR VAN KEKERIX: Good
8 morning, Board members. I have a number of things to
9 report to you on that's been going on in the Diversion,
10 Planning, and Local Assistance Division or that will be
11 coming up. On May 31st, the Board had a construction and
12 demolition forum on creating infrastructure and markets
13 for C&D materials. We got excellent feedback from people
14 who attended and also the people who were listening in on
15 the webcast. They said it was informative, interesting,
16 and well received.

17 In addition to Board Member Petersen's
18 introductory remarks, we had eight speakers including
19 representatives of Caltrans, the U.S. Navy, four
20 jurisdictions, a private sector C&D recycler, and staff
21 within our own Recycling and Market Development Zone
22 Program. We will be making presentations available on the
23 Board's web site. They're working on that now. And we
24 will also have an audio tape and video of the forum.

25 Putting on this kind of workshop takes an

1 incredible amount of time and effort by many different
2 individuals. The DPLA staff coordinated a team effort,
3 and that made the forum successful and it will provide
4 great tools for the Board customers.

5 In terms of the State Agency Buy Recycled
6 Campaign, we are working with the Department of General
7 Services to implement the State law requiring State
8 agencies and the Legislature to purchase products with
9 recycled content. Staff is working cooperatively with the
10 Department of General Services on the development of an
11 Environmentally-Preferred Purchasing State Agency Buy
12 Recycled Campaign Workshop series. This workshop series
13 will present two concepts to all State procurement
14 officers. The first is the EPP mandates and the methods
15 that they need to use to comply. And we will follow that
16 with the IWMB's newly developed Electronic State Agency
17 Buy Recycled Reporting System.

18 This reporting system will provide for continuous
19 reporting of qualified purchases rather than a once a year
20 report that's required by statute. The first workshop is
21 scheduled for June 19th and 20th here in Sacramento. And
22 we will be providing additional information to you on the
23 workshop series as dates and locations are finalized.

24 I also have an update on State agency reports on
25 the diversion requirements. Of the 406 State entities

1 that are required to report activities and diversion
2 programs, in 2005, 356 entities have submitted reports
3 which are currently being reviewed. Twenty-eight have
4 started their report but have not yet submitted it to the
5 Board, and 22 have not started their report.

6 Each of the non-reporting entities have been
7 contacted by phone and will be contacted again. We will
8 be preparing letters for the Executive Director to send
9 out to all the agencies that have not submitted a
10 completed report.

11 We also had Committee members request information
12 on the 17 State agencies that were determined not to be in
13 compliance with the 50 percent solid waste diversion
14 mandates in the 2004 Board review of their annual reports.
15 All 17 of the entities that were below 50 percent in 2004
16 have submitted a 2005 report. Three of the 17 are still
17 reporting diversion percentages for 2005 that are below
18 the 50 percent, including Mesa College at 37 percent;
19 Donovan Correction Facility at 38.5 percent; and the
20 California Science Center at 43 percent.

21 The staff has not yet completed the analysis of
22 the reported diversion percentages, and the diversion
23 rates that staff recommends may be the same as what we
24 have sent in their reports lower or higher after their
25 review.

1 Staff is currently reviewing these three, and I
2 will be reporting back to you on the status of those three
3 in terms of staff review. But I wanted to make sure you
4 got an update at this Committee meeting.

5 CHAIRPERSON PETERSEN: Thank you, Lorraine.

6 I'd like to introduce Board Member Danzinger who
7 is over there.

8 I have a question, Lorraine, on the three that
9 you just mentioned, the Science Center, those numbers have
10 just come in?

11 ACTING DEPUTY DIRECTOR VAN KEKERIX: Those are
12 the numbers that they have reported in their 2005 annual
13 report. And staff is presently reviewing those annual
14 reports to see whether we agree with the amounts that they
15 have submitted.

16 CHAIRPERSON PETERSEN: I'd be very interested to
17 see.

18 ACTING DEPUTY DIRECTOR VAN KEKERIX: We will be
19 getting back to you. But we were asked whether the 17 had
20 submitted 2005 annual reports and they have. And the bulk
21 of them are over 50 percent. It's just the three that are
22 below.

23 CHAIRPERSON PETERSEN: That's really good.

24 ACTING DEPUTY DIRECTOR VAN KEKERIX: So we're
25 going to be focusing on those three first, and then we'll

1 take a look at the other 14 in that group.

2 CHAIRPERSON PETERSEN: Great.

3 Item B, Lorraine.

4 ACTING DEPUTY DIRECTOR VAN KEKERIX: Item B is
5 Consideration of the Amended Nondisposal Facility Element
6 for the Stanislaus County Regional Solid Waste Planning
7 Agency. And Yasmin Satter of the Office of Local
8 Assistance will be making the presentation.

9 MS. SATTER: Good morning, Committee members.

10 The Stanislaus County Regional Solid Waste
11 Planning Agency is amending its nondisposal facility
12 element by identifying and describing two new facilities:
13 Sun Dry Products and Center Valley Agricultural Grinding.
14 Sun Dry Products will be processing construction,
15 demolition, and inert debris, and Central Valley
16 Agricultural Grinding will be processing construction,
17 demolition wood debris.

18 The Regional Agency has submitted all required
19 documentation for these two facilities. Staff therefore
20 recommends approval of this amendment. This concludes my
21 presentation. Thank you.

22 CHAIRPERSON PETERSEN: Okay. Is there any other
23 comments? Anybody want to make a motion?

24 COMMITTEE MEMBER PEACE: I'd like to move
25 Resolution 2006-86.

1 COMMITTEE MEMBER WIGGINS: Second.

2 CHAIRPERSON PETERSEN: Deb, call the roll,
3 please.

4 EXECUTIVE ASSISTANT BALLUCH: Peace?

5 COMMITTEE MEMBER PEACE: Aye.

6 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

7 COMMITTEE MEMBER WIGGINS: Aye.

8 EXECUTIVE ASSISTANT BALLUCH: Petersen?

9 CHAIRPERSON PETERSEN: Aye.

10 And that is to be on consent. Great.

11 Item C.

12 ACTING DEPUTY DIRECTOR VAN KEKERIX: Our next
13 item, Committee Item C is Consideration of the Amended
14 Nondisposal Facility Element for the Unincorporated Area
15 of Humboldt County. And Jill Simmons with the Office of
16 Local Assistance will be making the presentation.

17 MS. SIMMONS: Good morning, Committee members.

18 The Unincorporated area of Humboldt County is
19 amending its nondisposal facility element by identifying
20 and describing one proposed facility and two facilities
21 that are planned for the future.

22 The proposed facility, Eel River Disposal and
23 Resource Recovery, will serve as a regional recycling
24 facility including construction, demolition, and inerts
25 debris processing, metal recycling, clean wood chipping

1 and grinding, and a potential green waste compost
2 operation. The proposed facility will be located across
3 the street from the existing transfer station.

4 The two facilities that are planned for the
5 future include a regional dual stream recycling/processing
6 facility and a regional compost facility which will accept
7 food waste and potentially biosolids. The dual stream
8 facility is to be designed around the flow of recyclables
9 split into fibers and all other materials. The purpose of
10 this design is to minimize contamination and residuals.

11 The City has submitted all required documentation
12 for the amendment, and staff therefore recommends its
13 approval. This concludes my presentation. Thank you.

14 CHAIRPERSON PETERSEN: Any questions?

15 COMMITTEE MEMBER WIGGINS: Yeah. How do we
16 approve an amended NDFE when the site isn't found yet?

17 MS. SIMMONS: I think what we were trying to do
18 was plan ahead so when they were going through the
19 permitting process that those two -- the planned
20 facilities would be identified and the location
21 information for the processing -- the dual stream
22 processing facility they have broken ground for that.

23 COMMITTEE MEMBER WIGGINS: I went to the ground
24 breaking.

25 MS. SIMMONS: Oh, you did. Okay.

1 ACTING DEPUTY DIRECTOR VAN KEKERIX: The law says
2 that for a nondisposal facility element that jurisdictions
3 can put in proposed facilities for the future with general
4 location information. So the law allows them to put in
5 existing facilities which they use, and the law also
6 allows them to put in proposed or planned facilities with
7 general location information, and that's specified in
8 statute.

9 COMMITTEE MEMBER WIGGINS: So they have a general
10 idea of where this is going to be?

11 ACTING DEPUTY DIRECTOR VAN KEKERIX: Right.

12 COMMITTEE MEMBER WIGGINS: Oh, I see. I didn't
13 understand that. Thank you.

14 CHAIRPERSON PETERSEN: Anything else?

15 Oh, I have a question. Somebody help me with
16 this. Dual stream recycling facility, could you help me?

17 MS. SIMMONS: Yes, I can help you.

18 From what I understand, fibers will be separate
19 from the recyclables as far as the processing component
20 and also the collection component. So the idea is that it
21 makes it more efficient as far as the processing and also
22 the collection. An example on the collection side, right
23 now the trucks that they're using have eight different
24 compartments, so now this will take it to only two
25 compartments.

1 CHAIRPERSON PETERSEN: Thank you. That's what I
2 thought.

3 Do I hear a motion?

4 COMMITTEE MEMBER WIGGINS: I would like to move
5 this Resolution 2006-87.

6 COMMITTEE MEMBER PEACE: Second.

7 CHAIRPERSON PETERSEN: Deb call the roll, please.

8 EXECUTIVE ASSISTANT BALLUCH: Peace?

9 COMMITTEE MEMBER PEACE: Aye.

10 EXECUTIVE ASSISTANT BALLUCH: Petersen?

11 CHAIRPERSON PETERSEN: Aye.

12 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

13 COMMITTEE MEMBER WIGGINS: Aye.

14 CHAIRPERSON PETERSEN: On consent, please.

15 Okay, John, Item F.

16 DEPUTY DIRECTOR SMITH: Chairman Petersen,
17 Committee Members Peace, Wiggins, and Board Member
18 Danzinger, welcome.

19 I have two brief items and then we'll proceed on
20 with the rest of the agenda.

21 Related to the RMDZ Loan Program, a brief update
22 on the fund status. To date this fiscal year, the Board
23 has approved \$13 million in RMDZ loans. These loans are
24 expected to divert 161,000 tons of material annually and
25 create 331 local jobs. Of the Board approved loans, ten

1 loans for a total of \$11.1 million have been closed. This
2 has been a very good year.

3 Today, the Committee will consider one loan in
4 the amount of \$670,000. If this loan is approved, then
5 there remains \$18.5 million in the subamount for future
6 loans.

7 Update on RAC. The annual Waste Reduction Awards
8 Program application period opened June 1st and continues
9 through August 31st of this year. The statewide press
10 release was issued May 31st. There's an MS Word version
11 of the 2006 application, the resources guide, a companion
12 document, and the WRAP Talk Newsletter are all available
13 online via the WRAP website. These materials are at
14 ciwmb.ca.gov/wrap.

15 That concludes my introductory comments. Any
16 questions?

17 CHAIRPERSON PETERSEN: Comments? We're moving
18 on.

19 ACTING DEPUTY DIRECTOR SMITH: Okay. Our first
20 item is Recycled Market Development Loan for West Coast
21 Rubber Recycling. Govindan Viswanathan will be
22 presenting, and I believe the owner is here to also speak
23 if there are any questions.

24 MR. VISWANATHAN: Good morning, Board members.

25 This agenda item presents for consideration the

1 West Coast Rubber Recycling, Inc., application to the
2 Recycling Market Development Revolving Loan Program. West
3 Coast Rubber is requesting a loan of \$670,000 to finance
4 the real property in Holister and support business
5 expansion. The proposed loan will assist West Coast
6 Rubber to relocate from Gilroy to a larger facility in
7 Holister within San Bernardino County. The city of
8 Holister is within the Central Coast Recycling Market
9 Development Zone.

10 The loan is projected to assist in increasing the
11 diversion of the California waste tires from the landfill
12 by 217 tons annually and create six additional jobs. West
13 Coast Rubber Recycling was previously known as Gary's Tri
14 Disposal. From a Board permitted waste tire hauler, West
15 Coast Rubber has expanded to manufacturing tire-derived
16 products. West Coast Rubber manufactures playground
17 rubber, horse footing, rubber mulch in various colors, and
18 rubber buffings. West Coast also manufactures rubber
19 products such as parking lot curbs and mats.

20 Staff from the Board's Special Waste Division has
21 reviewed the project and has reported that no solid waste
22 permit is required for this proposed expansion.
23 Diversion, Planning, and Local Assistance Division has
24 reviewed the project and has determined the material to be
25 processed by the West Coast is normally disposed of in the

1 landfill. The Loan Committee approved the loan on June 1,
2 2006.

3 Staff recommends that the Board approve Option
4 Number 1 and adopt Resolution Number 2006-102 to approve
5 an RMDZ loan to West Coast Rubber Recycling in the amount
6 of 670,000.

7 Mr. Cameron Wright, President of West Coast
8 Rubber, is here today to answer any questions that the
9 Committee may have regarding the agenda. Thank you.

10 CHAIRPERSON PETERSEN: Thank you.

11 Any questions?

12 COMMITTEE MEMBER WIGGINS: On page 5 it says that
13 it's a direct loan, but it's a revolving loan program. So
14 what's the difference?

15 MR. VISWANATHAN: The program is called a
16 revolving loan program, but the RMDZ loan is all straight
17 installment loans.

18 COMMITTEE MEMBER WIGGINS: What?

19 MR. VISWANATHAN: They are installment fixed rate
20 loans.

21 ACTING DEPUTY DIRECTOR SMITH: Let me add
22 something. The program is directed. It means the Board
23 is the one involved in issuing these loans. That's the
24 direct part. Revolving means our fund source is
25 revolving. So it's both a direct program which we're

1 providing to our borrowers, and the nature of the fund is
2 a revolving so that we can use dollars again and again.
3 We don't have to get everything spent in one particular
4 fiscal year.

5 COMMITTEE MEMBER WIGGINS: Oh, okay. So this is
6 not a pay-back loan?

7 ACTING DEPUTY DIRECTOR SMITH: Yeah, the loans
8 are paid back.

9 COMMITTEE MEMBER WIGGINS: Okay. Why is it
10 called a direct loan?

11 ACTING DEPUTY DIRECTOR SMITH: Because we're the
12 ones that are involved in providing the loan to the
13 borrower. We're the lender. That's what's called a
14 direct loan program.

15 COMMITTEE MEMBER WIGGINS: As opposed to?

16 ACTING DEPUTY DIRECTOR SMITH: Having something
17 else do it.

18 COMMITTEE MEMBER WIGGINS: Are they all direct
19 loans?

20 ACTING DEPUTY DIRECTOR SMITH: Our program is a
21 direct loan program. But you can have situations where
22 maybe a private bank is -- we give them the money, and
23 then they -- like with our Cal Cap Program, we give them
24 money and then they make the loans. That's not a direct
25 loan. That's an instance of a non-direct or indirect

1 loan.

2 COMMITTEE MEMBER WIGGINS: How much have we
3 loaned this year?

4 ACTING DEPUTY DIRECTOR SMITH: The Board has
5 approved 13.1 million, and we've closed 11.1.

6 COMMITTEE MEMBER WIGGINS: So the 18 million will
7 roll over until next year?

8 ACTING DEPUTY DIRECTOR SMITH: That's what's
9 remaining in the account, and each year we get repayments
10 that add to it. And sometimes we also get borrowers
11 paying off early, so we get more funds that way. And then
12 each year we do get some contribution from IWMA.

13 COMMITTEE MEMBER WIGGINS: The 18 million will or
14 will not roll over for next year?

15 ACTING DEPUTY DIRECTOR SMITH: It's a revolving
16 fund. It stays there available for future loans. So the
17 revolving fund allows you to keep that money there.

18 COMMITTEE MEMBER WIGGINS: Okay.

19 ACTING DEPUTY DIRECTOR SMITH: And draw on it
20 until we get all of it out.

21 COMMITTEE MEMBER WIGGINS: Thank you.

22 CHAIRPERSON PETERSEN: John, this particular item
23 to this particular company, we've given grants up to
24 735,000 to this company. And now we have this loan. How
25 long have they been in business?

1 MR. VISWANATHAN: They started in 1999, if I
2 remember right.

3 CHAIRPERSON PETERSEN: 1999. That's substantial
4 growth. How much total tonnage do they do?

5 MR. VISWANATHAN: Currently they're doing 1,231
6 tons.

7 CHAIRPERSON PETERSEN: Annually?

8 MR. VISWANATHAN: Yeah, currently. With this
9 proposed loan, it will increase to 1,448 tons.

10 CHAIRPERSON PETERSEN: This is great. Good
11 stuff.

12 Is the proponent of the project here?

13 MR. VISWANATHAN: Yeah. Cameron Wright is here.

14 MR. WRIGHT: Good morning.

15 CHAIRPERSON PETERSEN: I just wanted to say
16 congratulations and good stuff and keep going.

17 MR. WRIGHT: Appreciate it. We couldn't have
18 gotten to where we are without your help from the Board.
19 And you've been a big part of it. It's a two-way street.
20 So I really appreciate everything you have done for us.

21 CHAIRPERSON PETERSEN: Can you please state your
22 name for the record?

23 MR. WRIGHT: Yeah. Cameron Wright.

24 CHAIRPERSON PETERSEN: You're the President of
25 the company? I'm a recycler. I know how hard it is to

1 get some of this stuff going.

2 In your expansion, you're going to a new facility
3 and adding lines for processing is what you're going to
4 do. And then there's more employment created on top of
5 that. So there's a lot of good things happening; right?

6 MR. WRIGHT: That's correct.

7 CHAIRPERSON PETERSEN: Now, this industry is
8 still getting off the ground, the tire recycling industry
9 and reuse products; am I correct?

10 MR. WRIGHT: Yes. Definitely.

11 CHAIRPERSON PETERSEN: In my brain, would it be
12 an imposition or unfair to the proponents of these
13 projects, your company and others, let's say the State got
14 involved in the marketplace producing product. That would
15 compete with you; correct?

16 MR. WRIGHT: Yeah. You're referring to the
17 prison industry --

18 CHAIRPERSON PETERSEN: Yeah. I'm just wondering
19 how do you react to that? I don't mean to put you on the
20 spot.

21 MR. WRIGHT: It's something we've discussed and
22 talked about.

23 CHAIRPERSON PETERSEN: We're trying to get this
24 industry off the ground.

25 MR. WRIGHT: I understand. And it's going to use

1 a lot of rubber granules and different products, part of
2 that being made from California tire recyclers. I don't
3 think that California tire recyclers will be able to
4 provide their current customer base and that increase in
5 what the Prison Board is proposing to you. So they will
6 go out of state to produce that. That would be one.

7 Second thing, you're competing with -- California
8 is a hard state in which to do business. We have just the
9 laundry list of everything you've heard before from taxes
10 and workers' comp and insurance and fuel, and I could go
11 on for an hour.

12 But with dealing with the Prison Board, for
13 example, they're not having to compete on a level playing
14 field. And they don't also have to, from my
15 understanding, necessarily turn a profit. Where as a
16 small business owner, we do. And we have to provide for
17 our employees and on down the list. So I don't think it's
18 a level playing field that we're going up against.

19 CHAIRPERSON PETERSEN: And with the approximately
20 what, 60, 70 percent recovery rate right now in the state
21 of the tires we do dispose of, we still have a huge chunk
22 to work with. But that's a totally tough industry to get
23 going, because the profit margins are slim. Competition
24 is tough.

25 MR. WRIGHT: Competition is tough. We've

1 outlasted about a half a dozen tire recyclers in
2 California. And we started from bootstrapping and worked
3 our way up and have done a pretty good job. The amount
4 that is still out there to be diverted from landfills is
5 phenomenal. We're doing everything we can to minimize
6 that. But even in the Bay Area, we can't recycle every
7 tire that we come across.

8 CHAIRPERSON PETERSEN: My hat's off to you.
9 Congratulations. I think this is great. And when you pay
10 back this loan, come back for some more and we'll keep you
11 going. I like to expand business.

12 MR. WRIGHT: Thank you. I'll invite you all to
13 come down and see it. It's a beautiful new facility.

14 CHAIRPERSON PETERSEN: I'd like to do that.

15 MR. WRIGHT: Thank you.

16 CHAIRPERSON PETERSEN: Thank you.

17 Any other comments?

18 Do I have a motion?

19 COMMITTEE MEMBER PEACE: I'd like to move
20 Resolution 2006-102.

21 CHAIRPERSON PETERSEN: And a second?

22 COMMITTEE MEMBER WIGGINS: Second.

23 CHAIRPERSON PETERSEN: Deb.

24 EXECUTIVE ASSISTANT BALLUCH: Peace?

25 COMMITTEE MEMBER PEACE: Aye.

1 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

2 COMMITTEE MEMBER WIGGINS: Aye.

3 EXECUTIVE ASSISTANT BALLUCH: Petersen?

4 CHAIRPERSON PETERSEN: Aye.

5 And that is fiscal consent.

6 ACTING DEPUTY DIRECTOR SMITH: Our next item
7 related to e-waste regulations, and it's Consideration of
8 and Request for Rulemaking Direction to Provide an
9 Additional 15-Day Comment Period for Revisions to the
10 Proposed Regulations for the Implementation of Electronic
11 Waste Recycling Act of 2003.

12 Shirley Willd-Wagner will provide an intro, and
13 Jeff Hunts will proceed with the presentation.

14 BRANCH MANAGER WILLD-WAGNER: Good morning.
15 Thank you, John. And good morning, Chairperson and
16 Committee members.

17 CHAIRPERSON PETERSEN: Good morning.

18 BRANCH MANAGER WILLD-WAGNER: Shirley
19 Willd-Wagner with the Electronic Waste Recycling Program.
20 We are here today to continue our saga of developing,
21 implementing, and adopting permanent regulations for the
22 E-Waste Recycling Act. We've been currently operating
23 under emergency regulations since December of 2004. And
24 we had a two-year authorization under the statute to
25 operate under emergency regs.

1 We came to the February Sustainability and Market
2 Development Committee to then request your approval to
3 notice the 45-day comment period with our revisions to the
4 emergency regulations, our proposed permanent regulations.
5 So we have embarked on the formal rulemaking process. And
6 the public comment period, the 45-day public comment
7 period, ended May 8. And as you recall, May 9th we held
8 the public hearing at the Committee meeting. So in
9 response to some of the public comment received both
10 formally and in the Committee hearing, we made several
11 proposed changes to the regulations and now we are
12 bringing them back to the Committee to request your
13 direction. We'd like to make these available for an
14 additional 15-day comment period.

15 Couple thoughts to keep in mind before Jeff
16 starts the formal presentation. We are still a very new
17 and maturing program, even though you've heard about us
18 many times. As such, we're continuing to learn, and we
19 still have lots to learn and things to figure out and how
20 best to implement the program.

21 Just an aside. I think you're aware California
22 was the first state, of course. But there's now four
23 states with laws on the books for electronics recycling.
24 Maine and Maryland have already started their
25 implementation. Washington's just passed about a month

1 ago. Minnesota's came this close to passing. They
2 actually had to adjourn the session before there was a
3 vote, even though there were all indications the Governor
4 would have signed it. And that was a loss. North
5 Carolina, their bill is actually an advanced recycling fee
6 and is being heard today in the Senate Committee. So
7 things are moving nationally.

8 They always ask us for information, what's worked
9 or hasn't worked. We share stories with them. They're
10 sharing stories of things they've learned and how issues
11 have progressed since they've been implementing bills. So
12 continues to be a really helpful exchange of information.
13 We continue to -- we intend to continue to use that
14 information to continue developing the program to make
15 revisions to streamline and improve our processes.

16 Along those lines, we're currently working with
17 Department of Finance Auditor. We started working with
18 them. They're looking at our procedures and giving us
19 some advise or at least giving us exchanging ideas again,
20 informing us as well as working directly with our
21 participants, all of which will help us to figure out how
22 to evolve the program as efficient and effective as it
23 possibly can, considering staffing resources and technical
24 ability and maintaining fiduciary responsibility, of
25 course.

1 A lot of this is predicated on our staff actually
2 getting out in the field, developing better relationships,
3 and a better and deeper understanding of business
4 processes with our participants out there to be able to
5 observe their operations. So that's definitely one of the
6 goals that we hope to move forward as we finish adopting
7 the regulations and as we begin to staff up and are able
8 to replace some of the staff that we have lost.

9 Jeff is going to identify some of the areas,
10 specifically the public comment. Just wanted to mention
11 that a couple of areas -- there are several areas of the
12 comment period we heard both in the formal period and at
13 the Committee hearing involved statutory or implementation
14 type of recommendations. And some of these things we just
15 completely wholeheartedly agree with. There was as you
16 recall desire to ramp up our public education program and
17 our audit and fraud investigative potential and develop
18 our expertise there. We completely agree. We have plans
19 to consult again with Division of Recycling. The public
20 education campaign is ready to be awarded. So we
21 completely agree these are areas we want to move on in.

22 I wanted to acknowledge the staff that had worked
23 on our regulations. We actually had a team of two this
24 time, Jeff and Alan Glabe. Jeff's our Program Supervisor.
25 And Alan Glabe is sitting in the front row who is our

1 Integrated Waste Management Specialist who carried the
2 burden on this. Last time we developed emergency regs, we
3 had John Sitts, Claudia Moore, Terri Pearsons, all of whom
4 are gone. And we haven't been able to replace those
5 folks. So I really want to acknowledge the staff work on
6 this.

7 At the end, we will ask if the Committee is ready
8 to give us direction to notice the regs for an additional
9 15 days. That's our goal today. And I'd like to
10 introduce Jeff to walk you through some of the proposed
11 changes.

12 (Thereupon an overhead presentation was
13 presented as follows.)

14 SUPERVISOR HUNTS: Thank you, Shirley.

15 Good morning, Chair Petersen, Board members. My
16 name is Jeff Hunts. I'm the Supervisor of the Electronic
17 Waste Recycling Program.

18 And as noted at the last month's Committee
19 meeting, the Waste Board received the majority of the
20 comments on the proposed regulations in the last 24 hours
21 of the 45-day comment period. I was able to summarize
22 those at that public hearing, and a more detailed summary
23 is available to the Board and can be found as a matrix in
24 Attachment 2 to the item. Those comments along with the
25 associated testimony provided by the public at the hearing

1 held in conjunction with the Committee meeting, it was
2 very informative. It was sincere. It was useful
3 information. Staff have considered what we can use, what
4 we're able to do at this time, and we'll bring forward to
5 you proposed revisions.

6 As Shirley mentioned, it truly merits
7 acknowledgement that the Covered Electronic Waste
8 Recycling Program is in its infancy, and it has a lot of
9 room for growth and improvement. It also must be noted
10 that the program is currently functioning and is actually
11 functioning pretty well under the existing emergency
12 regulations. In other words, it's not broken.

13 Staff have every expectation, however, in coming
14 back to the Board in future rulemaking processes with
15 suggestions for enhancements, adjustments to the
16 regulations as we gain more experience working with our
17 stakeholders, working with ourselves and with other BDOs,
18 Finance, Division of Recycling.

19 Before I get into what we're proposing to revise
20 in the proposed regulations, I wanted to cover those I
21 would call common theme areas, things we heard through the
22 comment period that you considered and -- well, for
23 reasons that I'll state -- have chosen to either set aside
24 for right now or postpone to a later date.

25 Follow along here on the power point.

1 --o0o--

2 SUPERVISOR HUNTS: One of the major themes we
3 heard in the comments was a desire for us to not require
4 collectors to transfer source documentation to the
5 recyclers because they felt this is cumbersome and that it
6 gives the unfair advantage to those dual entity recyclers
7 because it reveals the customers of those collectors. And
8 Program's response to that is that in order to maintain
9 the integrity and solvency of the program, it's imperative
10 the State only pays for those covered electronic wastes
11 that are eligible in the system and come from California
12 sources.

13 This is an economic system, and economic systems
14 work best with perfect information. Perfect information
15 allows for rational decision making. And the required
16 source documentation not only demonstrates to the State
17 that these covered electronic wastes were eligible in the
18 system, but it also demonstrates to the recycler who's
19 receiving that material and making the decision whether to
20 accept it that the material they're receiving is eligible
21 to process and claim payment on.

22 Staff is very sympathetic to the desire to keep
23 source documentation confidential. However, any
24 alternative at this point to transferring the source
25 documentation between collectors and recyclers would

1 require substantial changes to the way the program is
2 administered and is currently beyond the ability of the
3 Board.

4 --o0o--

5 SUPERVISOR HUNTS: Next common theme would be
6 requiring the shipment of specific treatment residuals.
7 In this case, we're talking specifically the CRT glass
8 creates a hardship when market demand fluctuates and that
9 it ignores the nature of an international business system
10 where commodities are traded globally.

11 Program's response to this is, well, one of the
12 most tangible pieces of evidence that covered electronic
13 waste cancellation actually took place is end use receipts
14 issued by the destination where that CRT glass went. And
15 without this information, Program cannot know whether that
16 material was canceled or for that matter ever existed.

17 Also, if the State allowed the accumulation and
18 storage of treatment residuals, which are hazardous
19 materials until market conditions were more favorable, the
20 Board would be fostering a potential risk to public health
21 and safety and the environment and be allowing the accrual
22 of a substantial risk to the state, but for the ultimate
23 disposition of that glass. In other words, we should not
24 be paying until the job is done.

25 --o0o--

1 SUPERVISOR HUNTS: Another common theme. This
2 one we've heard a lot throughout the program. The Board
3 should create a greater incentive for reuse by paying for
4 the handling of all CEWs whether or not they're actually
5 canceled. And currently, for instance, in the case of
6 cathode ray tube covered electronic waste, they are
7 considered more valuable when they're canceled than when
8 reused.

9 Program's response to that is in general that we
10 recognize the importance of reuse both in the Integrated
11 Waste Management hierarchy and as a means of lessening
12 environmental impacts associated with managing electronic
13 waste -- and we're also cognizant of the criticism that's
14 been leveled at the program which asserts that the payment
15 system disincentivizes use by only paying for
16 cancellation.

17 But the fact of the matter is Program does
18 encourage the reuse of covered electronic devices by
19 underwriting the cost of a proper disposal of
20 non-functional devices, those that cannot be refurbished
21 or reused. This allows those enterprises whose mission is
22 the reuse of covered electronic devices or electronics in
23 general, it relieves them of those costs. And many
24 secondhand industries such as Good Will have understood
25 this from the start and have embraced the program to

1 augment their mission. And while staff is always looking
2 for new ways to encourage reuse of materials, no revisions
3 to the regulations are proposed to directly pay for reused
4 covered electronic waste.

5 --o0o--

6 SUPERVISOR HUNTS: Another common theme has to do
7 with the weights. We pay on weights. And it's been
8 suggested that approved collectors in addition to approved
9 recyclers be required to be certified weigh masters. This
10 would provide an accurate audit trail and useful
11 statistics to the Board.

12 And Program does agree that the value of
13 requiring all participants in the system be certified
14 weigh masters has its advantages from audit and accuracy
15 perspective. Furthermore, it's probably likely to the
16 advantage of collectors to be certified weigh masters when
17 they are conducting their business transactions with
18 recyclers.

19 However, at this time when the near-term goal of
20 the program is to continue to expand the availability of
21 covered electronic waste recovery opportunities to all
22 California consumers, Program is recommending that just
23 the approved recyclers be required to be certified to be
24 weigh masters, since it is the recycler who is paid by the
25 State, and it's the recycler who receives and certifies

1 the weights and CEWs from the collectors.

2 Program is going to continue monitoring and
3 studying this matter very closely reserving the
4 possibility at some time in the future to possibly require
5 the collectors also be certified weigh masters.

6 --o0o--

7 SUPERVISOR HUNTS: This is one of those common
8 themes that really was outside of the regulatory scope.
9 The program should be staffed and supervised by persons
10 with the appropriate educational and professional training
11 to ensure effective operation, enforce requirements, and
12 detect fraud and prevent it.

13 Well, to that, I just would like to have adequate
14 staffing in the program and of any background. As I
15 noted, this line of comment is more of an implementation
16 nature as opposed to regulatory nature. This Committee
17 knows the program in large part has been developed and is
18 being operated by temporarily redirected staffing.

19 As we work to transition to permanent staffing
20 with the positions secured with the coming fiscal year, we
21 are working to ensure they are the right classification
22 for the task at hand. This has meant reclassifying some
23 specialist positions to analyst positions for the core
24 claim processing duties. And we'll also be looking at the
25 proper classifications for positions that we will be

1 getting for investigation and fraud prevention duties.

2 And we will continue to work with our colleagues over at
3 the Department of Finance as well as DTSC on those duties.

4 --o0o--

5 SUPERVISOR HUNTS: Now if the Committee will
6 refer to Attachment 3, I will get into those areas that we
7 are proposing revisions in.

8 And I won't be using the PowerPoint for that,
9 just the attachment.

10 The first proposed revision is to the definition
11 of the California source. And you know, we really
12 appreciate the dogged determination of stakeholders as
13 they complained over the months about the definition of a
14 California source. And I'm here to concede and
15 acknowledge that we were blinded to a fundamental change
16 that had taken place between SB 20 and SB 50 that changed
17 the meaning of our regulatory definition of a California
18 source.

19 The purpose of this definition is to establish
20 fundamental eligibility of covered electronic waste in the
21 system. Was this device used in California? SB 20
22 defined a consumer which is a term that was used in our
23 original definition as meaning a purchaser or owner of a
24 covered electronic device. And it goes on to talk about a
25 consumer can be a business, a corporation, a partnership,

1 an individual. SB 50 changed the definition of a
2 consumer. And this was done at the behest of the Board of
3 Equalization because it had to do with the collection of a
4 fee that's assessed on consumers, the advanced recycling
5 fee. It changed the definition to a consumer means a
6 person who purchases a new or refurbished covered
7 electronic device in a transaction retail sale.

8 What this inadvertently did by keeping the term
9 consumer in our definition is it potentially precluded
10 individuals or entities who received as a gift a covered
11 electronic device or as a donation a covered electronic
12 device and used that device from then entering that device
13 into the system when it became a waste. So we get it now.
14 We understand people's concerns.

15 We propose to revise the definition of California
16 source to use the term persons. That's not in honor of
17 Terri Persons who left us. It's actually a defined term
18 in statute. California source of CEWs are persons as
19 defined in Section 424630 of the Public Resources Code
20 located in California who generate CEWs after their own
21 use of the covered electronic device. Proposing to strike
22 out some examples of what a source would be, but then pick
23 up with some clarification language that persons who
24 receive, accumulate, consolidate, store, or otherwise
25 handle discarded, donated, or collected CEWs are not the

1 California sources of those CEWs.

2 Now, to understand the intent and effect of this
3 proposed definition, you have to couple it with DTSC rules
4 on universal waste. When is a product a product versus
5 when it's a waste. And a waste can magically become a
6 product again, a device again. If somebody plugs it in,
7 determines it works, uses it, it's a device. So this
8 revised definition does allow all those donated computers
9 or devices to the day care center that were used for the
10 kids to watch television to be entered into the system as
11 a waste when they become waste.

12 Moving on, we propose to strike any essence or
13 suggestion that a recycler should pay a collector more
14 than the recovery payment rate. And while they're welcome
15 to do that outside the system as business to incentivize
16 transactions, we want to try to keep the regulations as
17 objective as possible. And that is the purpose behind
18 striking the at or above the minimum.

19 Moving on, a technical fix in 18660.
20 13(a)(6)(a)(1) was to bring the 60 days in alignment with
21 the proposed 90 days that's elsewhere in the proposed
22 regulations.

23 The next item in 18660.21(b)(5) is new, and it
24 was suggested by a recycler. And this is where an
25 approved recycler shall upon request provide information

1 to an approved collector regarding the status of those
2 CEWs transferred by the approved collector to the approved
3 recycler, such as, but not limited to, whether the device
4 or the waste had been canceled, claimed, or transferred to
5 another entity.

6 And Program agreed that this was an important
7 addition to the regulations. It allowed the collector to
8 know several things. What have you done with the waste,
9 I've given you. It affects the payment status. While the
10 recycler is required to pay a collector within a certain
11 time frame, oftentimes they set up separate agreements.
12 You'll get paid when I get paid. And also sometimes
13 collectors need to certify to their generators, their
14 sources what has happened with the material. A collector
15 will need to certify destruction of material.

16 We had some conversations about the possibility
17 of inserting time frames within this provision, either a
18 responsiveness time frame that the recycler would need to
19 respond within a certain amount of time, or perhaps a
20 statute of limitations sort of time frame that a collector
21 couldn't ask after a certain amount of time.

22 At this point, Program is proposing to monitor
23 the situation and see if time frames become a hiccup in
24 the system that upon consideration by Program, we believe
25 that the business nature, the desire to either have good

1 relations or go separate ways will determine and dictate
2 the time frames involved here. But we'd be happy to
3 revisit that based on experience.

4 CHAIRPERSON PETERSEN: Jeff, excuse me. So
5 you're going to play this by ear to see how this all plays
6 out. In other words, we don't want to put it in now. We
7 don't know how it's all going to react and who's going to
8 do what.

9 SUPERVISOR HUNTS: We believe that the
10 requirement for a recycler to reveal to a collector what
11 they've done with the material is important. We don't
12 know that there will be any trouble created by this in
13 terms of time frame. That, for instance, a recycler not
14 being responsive to that request or a collector coming
15 back years in the future saying, "What did you do with the
16 materials I gave you," and harassing. As I noted, we'll
17 be coming back probably many times over the coming years
18 to revise these regulations.

19 CHAIRPERSON PETERSEN: I'm just concerned about
20 confidentiality between whoever the collector was that got
21 to the recycler or any liability issues. Those are the
22 only things that I'm thinking of. So okay. Go ahead.
23 I'm sorry.

24 SUPERVISOR HUNTS: The next item proposed for
25 revision is really a deletion and then the insertion of a

1 redundancy. What I mean by that is the existing emergency
2 regulations require a recycler to report to the Board the
3 status of payments that they've made to collectors, how
4 much they owe and whether they've made the payments or
5 whether the payments are pending.

6 And the fact of the matter is that we're not
7 tracking that information. It's become a requirement that
8 is we consider at this time superfluous. We know how much
9 material and money should be involved in these
10 transactions because of the structural nature of the
11 calendar as time marches on, we weren't getting complete
12 information on who had paid who what. And you know, we
13 decided does it really matter for us to know that. And we
14 weren't tracking it anyway.

15 So we're proposing to remove that requirement for
16 now and replacing in that spot a reaffirmation that as
17 part of a payment claim the recycler shall be providing
18 signed and dated receipts documenting all the CEWs of
19 covered electronic waste transfers between the collectors
20 and recyclers. This is not a new requirement. It's
21 stated elsewhere. It's just stated more clearly here.

22 And finally, the last proposed revision again is
23 just to remove any suggestions or encouragement that the
24 recycler pay the collector more than the baseline amount
25 of the recovery payment rate.

1 So with that, be happy to answer any questions
2 about the proposed revisions or take direction from the
3 Committee.

4 CHAIRPERSON PETERSEN: Any questions?

5 BOARD MEMBER DANZINGER: Can I ask a question?

6 CHAIRPERSON PETERSEN: Go ahead.

7 BOARD MEMBER DANZINGER: I don't know if it's a
8 question or I'm just trying to open it up for a little bit
9 more discussion and elaboration because I'm trying to get
10 my arms around. But I'm intrigued by the discussion
11 around reuse and whether these regs go far enough in
12 putting a value on reuse the way that they're written up.
13 You know, I mean, I'm just curious how other people feel
14 about that. And I'm also still grappling with what
15 canceled means. Canceled means it's being taken apart and
16 certain parts are then going into other ones. But if you
17 refurbish it when it comes in and it's re-sold, that would
18 be reuse?

19 SUPERVISOR HUNTS: Let's start with the concept
20 of cancellation, because absolutely the payment system is
21 based on that concept. Cancellation -- and we admit we
22 stole it from the Division of Recycling. It means taking
23 an item out of circulation. It's canceled. It can no
24 longer be in economic circulation in its current state.
25 In the case of bottles and cans, it's -- you know, in

1 cans, it's densifying cans to a certain density of
2 aluminum brick with the theory being that those can't be
3 broken apart and come back into the system for multiple
4 payments. And this is all about keeping multiple payments
5 to a minimum, avoiding them.

6 So in crafting the original regulations, the
7 concept of cancellation was proposed to be or developed to
8 be the dismantling or destruction of a device. When I say
9 destruction, it ceases to be a device, braking it apart
10 into various treatment residuals, the circuit boards, the
11 plastics, the metals, the glass, the wood in the case of
12 old console televisions, with the requirements that all
13 those residuals goes to different and appropriate
14 destinations.

15 The criticism is that, well, by only paying when
16 a device is canceled, you have now a certain amount of
17 money incentivizing the cancellation of that device as
18 opposed to perhaps investing in its refurbishment or
19 diverting that device back into the economic mainstream.
20 The perspective the Program has taken on this is if a
21 device has a potential for continued economic value, that
22 it is repairable and reusable or simply reusable,
23 economics --

24 BOARD MEMBER DANZINGER: The market will keep it
25 in use.

1 SUPERVISOR HUNTS: Economics will dictate. And
2 that the fundamental purpose of the Act was to pay for the
3 net cost of recycling. Now, it can be argued that with
4 the legislative intent that the word reuse gets in there
5 as well.

6 But the point I'm making is that we're not
7 proposing -- with the payment rate established, we're not
8 proposing to add a benefit to cancellation to recycling.
9 It's not cost plus. It's supposed to just be cost. The
10 challenge here is these aren't bottles and cans and every
11 can is pretty much alike. Here we've got console
12 televisions that weigh 300 pounds and monitors that weigh
13 five pounds. And with a mix of value and technology and
14 residuals, it's very difficult at least right now -- who
15 knows what the future will hold -- to establish a payment
16 rate that if you look at all devices provides the same
17 incentive to do for that device to end up at the same
18 fate.

19 BRANCH MANAGER WILLD-WAGNER: I just wanted to
20 mention -- Jeff alluded to this. But just for background
21 information, Member Danziner, statute says in the intent
22 language it talks about establishing a system for the
23 reuse. But in the payment section in the actual
24 legislation itself, well, we feel it limits the Board
25 because it says the Board shall pay for the net cost for

1 an electronic waste recycler to receive, process, and
2 recycle each major category. And it says the same thing
3 for recovery payments. The Board shall pay to, you know,
4 make the net cost to recover and recycle these devices.
5 So that's one of the areas where I think a statutory
6 change or clarification might be necessary down the road
7 if, indeed, we're going in some other direction.

8 BOARD MEMBER DANZINGER: So you're saying the law
9 contemplates reuse would have maybe a role in the
10 implementation of this law, but not necessarily within the
11 payment scheme?

12 BRANCH MANAGER WILLD-WAGNER: Yes.

13 BOARD MEMBER DANZINGER: So let me ask, do we go
14 there at all in these regs? Do we go there at all in
15 terms of where and how creatively or whatever it can be
16 done to encourage reuse or somehow build it into the
17 paradigm so that there's a value in doing that? I don't
18 know if you can make a value in doing that if it's not in
19 the payment scheme. You know, again, I may be taking a
20 broader view of this law than we need to or should be.
21 But I don't know where reuse isn't a value in what we do.
22 So I'm just curious as to whether do we have any
23 trepidation.

24 SUPERVISOR HUNTS: The payment system as
25 currently constructed -- and the payment system is largely

1 a construct of the regulations. While it's provided for
2 in statute the Board will make recovery payments and
3 recycling payments as constructed, what triggers Board
4 payment is cancellation. Now, along the way towards
5 cancellation, a collector who transfers collected covered
6 electronic waste to a recycler is entitled to the recovery
7 payment to all of the material they transfer, regardless
8 of the fate of that material.

9 Now, the fact of the matter is once a recycler
10 gets that material, they're going to cancel it, so because
11 the economics just work out that way. But what's
12 important to make the distinction from is that there's a
13 huge cost. This is why we have this Act. There had been
14 a huge cost to handling non-functioning devices.
15 Functioning devices pay for themselves. They have an
16 economic value. There was a thriving industry on the
17 continued use of devices, either the functioning or easily
18 repairable devices.

19 The down side of being in an enterprise like that
20 is what do you do with the devices that don't work? That
21 was a huge cost. The Act has now relieved it or cities,
22 Good Will, asset recovery industry of that cost so they
23 can now focus on the economic value inherent in reusable
24 and remarketable devices.

25 BOARD MEMBER DANZINGER: I don't disagree with

1 your market argument.

2 So on page 6 then, because I found one comment on
3 reuse. So those comments, none of those are integrated
4 into the existing regulations?

5 SUPERVISOR HUNTS: As a result of any comment on
6 reuse, we are not proposing to revise the regulations to
7 further accommodate or provide payment for handling other
8 than that handling that ends up as recycling.

9 BOARD MEMBER DANZINGER: Okay. Thanks, Jeff.

10 CHAIRPERSON PETERSEN: Cheryl.

11 COMMITTEE MEMBER PEACE: I want to encourage
12 reuse also. But if we did anything to change this,
13 wouldn't that allow for like double dipping of the payment
14 twice, once for when it came through you and then reuse it
15 came through the system again?

16 SUPERVISOR HUNTS: Would people do that?

17 COMMITTEE MEMBER PEACE: No.

18 SUPERVISOR HUNTS: Absolutely. A huge aspect of
19 Program's reluctance to go down the path of paying for
20 reuse is, well, where does it stop? How do you define
21 reuse? When would that payment be triggered? And how
22 many times would public money be used to pay for that? It
23 opens up a real challenge that we think about. We don't
24 have a solution.

25 CHAIRPERSON PETERSEN: We're going to see this

1 shake down just like 2020 did with the Bottle Bill or the
2 Refund act, so it's going to be -- it's a living document.

3 SUPERVISOR HUNTS: And they don't have reuse.

4 CHAIRPERSON PETERSEN: Reuse and cans, oy.

5 Sorry.

6 We have -- any other questions or comments?

7 I have one speaker, Katherine Brandenburg. Good
8 morning.

9 MS. BRANDENBURG: Good morning. I didn't think
10 it would be right if I didn't come up and speak. It seems
11 like I've been up here all the time on this.

12 I first want to thank staff --

13 CHAIRPERSON PETERSEN: Katherine, state your
14 name, please.

15 MS. BRANDENBURG: Katherine Brandenburg with the
16 Flanigan Law Firm, and I'm representing the Institute of
17 Scrap Recycling Industries.

18 I'd first like to thank staff. You guys have
19 done an incredible job with the little staff that you
20 have. So I think, you know, the Board really should
21 acknowledge that. And we look forward to having a larger
22 staff to work on this in the future.

23 CHAIRPERSON PETERSEN: Katherine, could you lend
24 some staff to us so we can finish?

25 MS. BRANDENBURG: You know, we're a small firm.

1 I don't know about that.

2 CHAIRPERSON PETERSEN: You have huge members.

3 MS. BRANDENBURG: We do have a lot of members,
4 don't we?

5 The only comment I would like to make today is
6 about the definition of California sources. I think where
7 staff has gone has taken quite a few steps forward from
8 where we were just on the last revision, the regulations.
9 But the one thing I would like to point out is that it
10 doesn't appear that the items -- the legacy items, the
11 items that have been stockpiled for a number of years, we
12 have an ability to bring those into the system for a short
13 period of time. I think the Board and staff should look
14 at before we adopt final regulations maybe a window that
15 items that -- at TV repair places or maybe people who will
16 reuse the computers and make them functioning again where
17 they find that some are not functioning, I'm sure they
18 have stockpiled them. So I think that's something we
19 should look at. I'm asking the Board and staff to look at
20 that. And that's really my only comment.

21 CHAIRPERSON PETERSEN: Thank you.

22 Jeff, comment?

23 SUPERVISOR HUNTS: I think there would be a great
24 difficulty in distinguishing between I think the well
25 intended accommodations of unsourced documented devices

1 that may be stockpiled in a dusty back room of a mom and
2 pop TV repair shop and those devices that are specutively
3 accumulated of wholesaled, imported into the state, bought
4 at auction, out of state on pallets and trucked in. This
5 is a --

6 CHAIRPERSON PETERSEN: This is a tough one.

7 SUPERVISOR HUNTS: Very tough one, a sore point
8 that I believe that the authors of the legislation in
9 specifying who is to benefit from this maybe hadn't
10 thought all the way through. And in Program proposing the
11 regulation, the framework, the limitations on the
12 eligibility, it was to define and identify those items
13 that are clearly eligible in the program and those that
14 have a big question mark hanging over them.

15 CHAIRPERSON PETERSEN: Right. So essentially
16 what we're talking about is no amnesty here on what's in
17 the back room, but they can still take those materials to
18 an electronics drop off, pay the fees, and that would then
19 get entered into the system; correct? Some way for
20 recycling or cancellation, one way or another. We have to
21 get rid of the stuff.

22 SUPERVISOR HUNTS: I believe because of the Act
23 there is a thriving infrastructure and capacity in the
24 state to handle electronics of all types. Whether those
25 materials could ever be associated with legitimate and

1 eligible source documentation is a separate matter.

2 CHAIRPERSON PETERSEN: So what do we do with the
3 stuff?

4 SUPERVISOR HUNTS: Well, before the Act, the
5 generator paid.

6 CHAIRPERSON PETERSEN: Yeah. Exactly. So that
7 would have to continue with those particular items;
8 correct?

9 SUPERVISOR HUNTS: Under current paradigms, yes,
10 sir.

11 CHAIRPERSON PETERSEN: Great. By the way, guys,
12 great job. We're going to get you more staff. ISRI is
13 going to help.

14 SUPERVISOR HUNTS: We do have staff coming with
15 the fiscal year.

16 CHAIRPERSON PETERSEN: I have one other question.
17 As we get down the road here, we happen to -- Chris and I
18 happened to go visit a recycler that we saw the
19 documentation as a recycler of all the paper waste -- the
20 paper documentation. That was unbelievable. I mean,
21 there were 450 trees in this guy's office. So I'm sitting
22 there going, we're going to get to the electronic side on
23 this on reporting. That's going to take some time.

24 SUPERVISOR HUNTS: Absolutely. We're meeting
25 tomorrow with Department of Finance Audit Team. They have

1 expressed a lot of support for what is required in this
2 program in terms of documentation, but they scratched
3 their heads about the sustainability of the boxes of
4 documentation coming into the office.

5 CHAIRPERSON PETERSEN: Okay. All right. Well,
6 thank you all very much. Appreciate it.

7 Oh, we have one more speaker. Evan, I almost
8 forgot you. You're scaring me, man. Sorry.

9 MR. EDGAR: I'm Evan Edgar, Board members and
10 Chair. I'm here on behalf of California Refuse Removal
11 Council. I'm their engineer.

12 We support the regulations today that get them
13 done and get them into the time frame necessary in order
14 to beat the deadline. The staff has been very responsive
15 and aware of the market base, and we appreciate all their
16 comments and hard work.

17 But one needs to recognize the SB 20 and SB 50 is
18 a voluntary program. There's a dual system going on out
19 there. I represent 20 authorized collectors who are
20 members of CRRC. There's a whole other branch out there
21 that are not authorized collectors who are not part of SB
22 2050 program, and that's a good thing. We support that
23 too. They take care of the TVs in the back room. They
24 take care of non-source California CRTs. They take care
25 of the rest of the system.

1 So we support both the regulations for people who
2 chose to enter the system and do the paperwork to have the
3 net report have free and convenient services down the
4 road. However, the green market as I call it are the rest
5 of the people who may have a lesser pound per payment, may
6 not have to do all the paperwork, but they can have a gate
7 fee at the MRF or transfer station to pay for those legacy
8 or abandoned CRTs and TVs. That needs to be recognized
9 that one of the reasons there's a big fund imbalance on
10 the next item is that a lot of -- such as the Cans and
11 Bottles Program, there's a whole series of CRT TVs are
12 going into the green market, and they may get ten cents a
13 pound, they may get a tip fee, but down the road the
14 public who had been informed this may be a free and
15 convenient system under the SB 2050 program, they may show
16 up some day at a MRF or transfer station that is not
17 participating in SB 2050 program, and there may be a tip
18 fee or rate that is okay.

19 That's what I'm talking about today, is that the
20 rates are great for people that participate. But the rest
21 of the green market, free market doing the right thing
22 can't allow to have a tip fee down the road. That's our
23 message today.

24 There's been great work by staff. I think they
25 recognize the dual market where people chose to leave that

1 market, abandon their authorized collector in order to
2 participate in a free and green market. We support the
3 good work of staff, and the program has been a success.
4 Thank you.

5 CHAIRPERSON PETERSEN: Thank you, Evan. Okay.
6 Could we have these discussions -- I'm sorry.
7 Elliot.

8 STAFF COUNSEL BLOCK: You can finish your
9 sentence.

10 CHAIRPERSON PETERSEN: I'm all ears. Go ahead.

11 STAFF COUNSEL BLOCK: I want staff to make clear
12 this is a request for direction item. So as the Chair of
13 the Committee, you're authorized to --

14 CHAIRPERSON PETERSEN: I was on the mission just
15 now, I think.

16 STAFF COUNSEL BLOCK: I think so.

17 CHAIRPERSON PETERSEN: First of all, we want to
18 grant the 15-day extension on this; right? And we'll do
19 that, the comment period. And then is there anything that
20 we can do to add some of these comments in today that were
21 made into where we're going within this 15 days?

22 BRANCH MANAGER WILLD-WAGNER: I believe we're
23 making sure the comments are related to revisions that
24 have already been proposed; is that correct?

25 STAFF COUNSEL BLOCK: What staff is looking for

1 direction on today is what the next version of the regs
2 should look like that go out for 15-day comment. Their
3 Attachment 3 has the staff's recommended additional
4 revisions. And the other comments that aren't reflected
5 in that, they're part of the rulemaking record. They'll
6 be responded to and of course will carry on through other
7 forums. But unless the Committee wants to direct for some
8 specific additional changes in the regs, they wouldn't be
9 in the version that went out for 15 day. You have that
10 ability to direct for additional changes in the 15-day
11 version. But that's not what staff is recommending. Just
12 the changes in Attachment 3 as of now.

13 BRANCH MANAGER WILLD-WAGNER: And we would bring
14 back as a result of the 15-day comment period, we would
15 hope to bring back for final adoption from the Board final
16 regulations in July.

17 CHAIRPERSON PETERSEN: I'm for that.

18 BRANCH MANAGER WILLD-WAGNER: And then it would
19 be moved to Office of Administrative Law.

20 CHAIRPERSON PETERSEN: Okay. Thank you all very
21 much.

22 BRANCH MANAGER WILLD-WAGNER: So that is our
23 direction?

24 CHAIRPERSON PETERSEN: Direction, yes. 15 days.

25 COMMITTEE MEMBER PEACE: For the regs to move

1 forward as proposed.

2 CHAIRPERSON PETERSEN: John.

3 ACTING DEPUTY DIRECTOR SMITH: Item G or Board

4 Item 16 is Consideration to Review and to Leave Unchanged

5 the Covered Electronic Waste Recycling Fee and the

6 Standard Statewide Recovery and Recycling Payment Rate of

7 Covered Electronic Waste.

8 Shirley again will provide the intro and Matt

9 McCarron will do the presentation.

10 BRANCH MANAGER WILLD-WAGNER: Good morning.

11 You've got to love that title. We're requesting

12 consideration not to do something or to do nothing I

13 guess.

14 As you know, the foundation of the E-Waste

15 Recycling Act is the fee and the payment system designed

16 to provide cost-free convenient disposal opportunities for

17 the public while ensuring an environmentally safe

18 management of the hazardous wastes. It's all based on

19 that advanced recycling fee 6 to \$10 paid by the consumer

20 at the point of retail sale. And the fee is actually set

21 in statute, the 6, 8, and \$10.

22 The recycling payment rate -- recycling payment

23 rate is set in statute until the Board chooses to change

24 that. The recovery rate is set in regulations. We've got

25 some things there we're going to try to clean up.

1 But today's item meets the statutory requirement.
2 Matt will go through and show you where in the statutory
3 requirement for the Board to review the fee and the
4 payment rate of the public hearing. So for the reasons
5 outlined in the item, we're recommending that we do not
6 change this at this time.

7 One of the really interesting facts I wanted to
8 just point out -- and Matt will mention this too. I just
9 wanted to double emphasize it. Our findings showed that
10 the e-waste recycling claims submitted and processed in
11 the first quarter of 2006 is more than double. It's about
12 two-and-a-half times the claims that were received in
13 2005, first quarter, same period of time.

14 We're really growing. Things are changing still.
15 We haven't stabilized. So I thought that was really
16 interesting we have two and a half times more this year.
17 Matt McCarron is a Senior Waste Management Specialist and
18 has been with us since the beginning of the E-Team and
19 he'll make his presentation.

20 CHAIRPERSON PETERSEN: Good morning, Matt.

21 SENIOR WASTE MANAGEMENT SPECIALIST: Good
22 morning, Committee members.

23 I'll take you through a little PowerPoint summary
24 and answer any questions you have. We're beginning to
25 cover two areas in the Act today. First the fee. Shirley

1 mentioned the 6, 8, or \$10 charged at the point of sale
2 and BOE collects that fee for us.

3 --o0o--

4 SENIOR WASTE MANAGEMENT SPECIALIST: Electronic
5 Waste Recycling Act requires us to evaluate the fee of on
6 covered electronic devices and make any adjustments to
7 ensure sufficient revenues to run the program. No more
8 frequently than annually and no less frequently than
9 biannually starting August 2005. Last year we gave you a
10 brief update that there wasn't any information to make
11 that change last year.

12 So the program costs cover DTSC, Waste Board, and
13 BOE's cost, plus we have to set aside a reserve. And I
14 mention we can change it by August 1st every year.

15 --o0o--

16 SENIOR WASTE MANAGEMENT SPECIALIST: Revenue
17 received for 2005, this is an overview of what happened
18 last year. Fee collected by BOE for 2005 totaled \$73
19 million. First three quarters pretty steady, \$15 million
20 each. And as expected, we had a big fourth quarter,
21 almost 31 percent of the total, \$23 million.

22 We get information from a manufacturers report
23 submitted to us every July 1, and it will tell us the
24 annual sales that had happened for the previous calendar
25 year. So for 2004, the manufacturers reported sales of

1 9.1 million units. If you take the 73 million and divide
2 it by \$8 which is about the most common fee, it comes up
3 to 9.1 million units as well. But that's the 2005 number.
4 We still have to wait for the 2005 data to find out if
5 that's actual sales. So actually, these numbers are
6 higher than our projected study that we did back in 2001
7 which showed 3.8 million in sales. So we're well ahead of
8 that pace. That's probably just conditioned to the
9 economy.

10 --o0o--

11 SENIOR WASTE MANAGEMENT SPECIALIST: Let's talk
12 about the payment rate. The Act established initial
13 recycling payment rate of 28 cents a pound. That was put
14 in by SB 50. The emergency regulations established a
15 recovery payment rate of 20 cents a pound.

16 The Board can adjust the payment rate every
17 two years. This has to be done by July 1, 2004, and every
18 two years after. So here we are up in that second date.
19 So we didn't mention earlier about moving these rates out
20 of the regulations and putting them into a Board process
21 to discuss them in a public hearing and set the rates.

22 --o0o--

23 SENIOR WASTE MANAGEMENT SPECIALIST: So for last
24 year, we had total claims -- this is for calendar year
25 2005, \$31 million, 64 million pounds. So this reflects

1 claims received by March 1st, 2006.

2 --o0o--

3 SENIOR WASTE MANAGEMENT SPECIALIST: Here we are
4 fast forward to today almost. In the beginning when we
5 started in January '05, we had 97 collectors. Now we have
6 404. So you can see we're growing at a pretty good rate.
7 Actually, at the beginning of the year, we only had 340.
8 So it's still growing pretty well within this year.

9 \$43 million claimed. So Shirley mentioned
10 earlier about the change in the first quarter from '05 to
11 change of first quarter of '06. In your agenda item, it
12 only says 15.8 million pounds, but that figure was
13 two-and-a-half weeks ago. So it's gone up that much in
14 two weeks. So it's really coming along pretty fast in the
15 first quarter. The claims are finally in for that. So
16 you can see this will put the demand on the system for the
17 payment pay-out rate.

18 --o0o--

19 SENIOR WASTE MANAGEMENT SPECIALIST: Part of the
20 things we require in the regulations is for the net cost.
21 We want to know how much it costs somebody to recycle.
22 The payment rate, as I mentioned earlier, is 27 cents a
23 pound for recycling and 20 cents to collect. Based on our
24 preliminary review of net cost report -- so if you're a
25 recycling and you handle over a million pounds, it costs

1 you 27 cents on average. Collectors that handle over
2 100,000 pounds, 19 cents. So these are almost right on
3 the money from the original analysis that we looked at to
4 set the rates. Some of the rural areas and some of the
5 smaller operations, really specialty people, had slightly
6 higher rates. And then we have some people learning the
7 business as well. There's first year start-up costs
8 buried in these numbers too, so we'll see how this all
9 pans out for the next one.

10 --o0o--

11 SENIOR WASTE MANAGEMENT SPECIALIST: We continue
12 to try to improve the net cost data. We have an existing
13 contract that's coming along to evaluate what we have
14 received this year and to make improvements for next year,
15 get the quality of the submissions up so we can really
16 make an educated decision if we have to change rates or
17 adjust them one way or the other. A lot of late
18 submissions this year. And I think out of the contract
19 we'll be able to develop some best management that more of
20 the recyclers and collectors can use to be better.

21 --o0o--

22 SENIOR WASTE MANAGEMENT SPECIALIST: We want to
23 look at a summary of some of the issues related to this.
24 We had first year start-up costs. We have sufficient
25 carry over of revenue from last year to get us through

1 this year. But if you look at 2006, the trend of 2.5
2 times higher, that would be \$77 million in claims.
3 Obviously, last year we only got \$73 million in. So and
4 that doesn't -- 77 million doesn't talk about any of the
5 overhead. That's just the claim payouts. So we need to
6 be careful and watch this, see how it goes so we can
7 decide whether we need to adjust the fee or the rate.

8 --o0o--

9 SENIOR WASTE MANAGEMENT SPECIALIST: Other
10 factors we really have to pay attention to. We really
11 didn't do a lot of outreach last year. We did quite a
12 bit, but we're ramping up to do much more. As that
13 happens, we could get more increase to the materials
14 coming in. We do have some cost.

15 One of the big things that's kind of the wild
16 card in the whole process is the market conditions. Where
17 could people process glass. Last year we had a couple
18 facilities that went down because of problems with
19 shipping glass that affected claims for some of the
20 recyclers. So these things -- this is a worldwide scale,
21 and there's only a few processing facilities of each type
22 of the commodities coming out of the back end of
23 cancellation, whether it's the circuit board, the
24 plastics, steel, or the leaded glass. So we had to pay
25 attention to that.

1 CHAIRPERSON PETERSEN: Matt, quickly. Sorry. On
2 the glass situation, we've got the overseas market and
3 most of the other markets are out of state for this type
4 of glass; correct?

5 SENIOR WASTE MANAGEMENT SPECIALIST: Almost
6 all -- there isn't any glass recycling going on in
7 California. We're basically --

8 CHAIRPERSON PETERSEN: CRT glass.

9 SENIOR WASTE MANAGEMENT SPECIALIST: Some of the
10 old LCD panels had leaded glass in them too. So
11 they're -- most of the shipping is going out of the state.
12 There's one major smelter in the United States. There's a
13 couple secondary smelters. There's some glass to glass
14 plants in Brazil.

15 CHAIRPERSON PETERSEN: It's an international
16 market.

17 SENIOR WASTE MANAGEMENT SPECIALIST: Yes.
18 Limitations on where do you build a smelter.

19 CHAIRPERSON PETERSEN: Right. Well, we're just
20 beginning this whole thing. Thank you.

21 I'd like to recognize Member Mulé is here. Go
22 ahead.

23 SENIOR WASTE MANAGEMENT SPECIALIST: There's a
24 pending legislation that may add something to our piece of
25 the puzzle here, AB 3001. We have to see how that changes

1 the focus and on the fund conditions. If the sales start
2 to dip and we're basing revenue projections on that to
3 make payment claims, payment claims could keep going up
4 with the revenue going down. So we have to watch both.

5 One of the parts of the bill that we're required
6 to collect all the legacy waste that's out there by the
7 end of 2007. So part of what we're talking about as far
8 as the reuse issue and cancellation, we need to get all
9 the old legacy waste out of the system as well.

10 --o0o--

11 SENIOR WASTE MANAGEMENT SPECIALIST: With that,
12 be glad to answer any other questions.

13 CHAIRPERSON PETERSEN: Any questions?

14 COMMITTEE MEMBER PEACE: I don't have any
15 questions. I agree with staff, because I do think since
16 it is a new program, we need to give it time to mature
17 before we make any adjustments. I agree with that.

18 CHAIRPERSON PETERSEN: Can I have a motion then?

19 COMMITTEE MEMBER PEACE: I'd like to move
20 Resolution 2006-103.

21 COMMITTEE MEMBER WIGGINS: Second.

22 CHAIRPERSON PETERSEN: Deb.

23 EXECUTIVE ASSISTANT BALLUCH: Peace?

24 COMMITTEE MEMBER PEACE: Aye.

25 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

1 COMMITTEE MEMBER WIGGINS: Aye.

2 EXECUTIVE ASSISTANT BALLUCH: Petersen?

3 CHAIRPERSON PETERSEN: Aye.

4 This goes to consent.

5 ACTING DEPUTY DIRECTOR SMITH: Chair Petersen,
6 before we get into the next item, I need to reverse I and
7 H. We need to go first with I.

8 CHAIRPERSON PETERSEN: That's fine. Any
9 objections?

10 ACTING DEPUTY DIRECTOR SMITH: Item Number 18 is
11 Consideration of Request by Glad Manufacturing; Pactiv
12 Corporation; Poly-America, LP; Republic Bag; and Trans
13 Western Polymers for Exemptions from Compliance with
14 Postconsumer Material Content Requirements of the Plastic
15 Trash Bags Law for 2005 Certification Period.

16 Sue Ingle will be doing the presentation on this.

17 CHAIRPERSON PETERSEN: Good morning, Sue.

18 (Thereupon an overhead presentation was
19 presented as follows.)

20 MS. INGLE: Good morning, Board members and
21 Committee Chair. We're going to make a switch and do
22 Number 18 -- or I'm sorry. Number 18 before 17 which is
23 the consideration of the exemption request for the plastic
24 trash bag manufacturers for the 2005 reporting period.

25 --o0o--

1 MS. INGLE: Since these are kind of switched, my
2 speech is just a little different. Hold on there.

3 The manufacturers are required to certify to the
4 Board that they've used either 10 percent postconsumer
5 material in their trash bags, they've used 30 postconsumer
6 material in all their plastic products, or they can
7 request an exemption due to insufficient quality and
8 quantity of postconsumer material for the 2005 reporting
9 period.

10 So we're here to discuss why five companies have
11 requested exemptions.

12 --o0o--

13 MS. INGLE: These five companies are: Glad
14 Manufacturing, Pactiv Corporation, Poly-America, Republic
15 Bag, and Trans Western Polymers.

16 --o0o--

17 MS. INGLE: This table shows 33 manufacturers and
18 their postconsumer material use for the 2005 reporting
19 period. The number in pink 4,041 tons, represents the
20 amount of PCM for these five companies to reach 10 percent
21 compliance with the California Plastic Trash Bag Law.

22 I would like to remind the Board that 1.7
23 million tons of film plastic is disposed annually, whereas
24 nationally film plastic is recycled at a rate of less than
25 5 percent.

1 Board staff in the Plastic Recycling Technology
2 Section have been actively working on film collection
3 issues, conducting workshops, forming collaborative film
4 working groups, and developing quality guidelines for
5 postconsumer resins under contract with Chico State.

6 --o0o--

7 MS. INGLE: This table displays the five
8 companies requesting exemptions. These companies are
9 listed by tons and bags sold. And please note that
10 Poly-America, the maker of the Costco bags and other
11 private labels, has sold four to six times more than the
12 other trash bag manufacturers requesting an exemption, yet
13 they were able to achieve the highest rate of postconsumer
14 material usage in their trash bags for 2005.

15 --o0o--

16 MS. INGLE: We compared the top ten trash bag
17 manufacturers by sales. The five compliant companies were
18 able to obtain a compliance usage of 11.3 percent, while
19 the five non-compliant -- or the five companies requesting
20 an exemption were collaboratively at 2.8 percent.

21 Next slide.

22 --o0o--

23 MS. INGLE: The five exemption companies sold
24 twice as many bags than the other top five companies that
25 met the minimum content of the law. Why can half of the

1 largest bag manufacturers use more than 10 percent PCM
2 when the other half claims an inability to use PCM at 10
3 percent?

4 The exemption criteria is very specific and
5 requires extensive documentation. This information is
6 provided in regulations, and these steps were outlined in
7 the certification packet sent via certified mail to each
8 manufacturer.

9 This is not the first exemption request for these
10 five manufacturers. Some of these companies have
11 requested exemptions since 1999. To be recommended for an
12 exemption for 2005, each company was evaluated on how well
13 they met the criteria and their efforts taken during the
14 calendar year. We will go through each company starting
15 with the history of their sales and PCM use from 1999 to
16 present. These tables are included to provide the Board
17 some history of each company's compliant status since we
18 have new members.

19 --o0o--

20 MS. INGLE: First, Poly-America shows a history
21 of using postconsumer material, and their use has
22 increased along with an increase in sales from 2001 to
23 present. In the past, Poly-America hired an employee
24 dedicated to sourcing PCM because it was a difficult thing
25 to find good quality. Poly-America was granted an

1 exemption each year from 1999 to present.

2 --o0o--

3 MS. INGLE: Staff reviewed the documentation
4 presented by Poly-America's exemption request and
5 determined this company showed a reasonable effort in
6 acquiring PCM in manufacturing regulated trash bags.
7 Their PCM increased from 2004 by 389 tons, and they
8 continue to test and rely on bailed film that is
9 reprocessed by Poly-America for use in their products.
10 They also use a large amount of postconsumer material in
11 other plastic products and have been participating in the
12 Board's plastic recovery workshops.

13 --o0o--

14 MS. INGLE: Glad Manufacturing has used very
15 little postconsumer material from 2001 to present. For
16 the 2004 reporting period, Glad and Pactiv were each
17 granted a conditional exemption at the December 2005 Board
18 meeting.

19 Since the 2004 reporting period was essentially
20 over, the conditions for the exemption would take place
21 over this year, 2006. Board staff believes that a
22 conditional approval for 2005 would be granted since the
23 conditions for '04 are still in the process.

24 Glad is not ready to use PCM until equipment
25 renovations are completed and estimate this to happen

1 September '06. In fact, Glad is no closer to purchasing
2 and using PCM than they were in 2003 when their exemption
3 was based on equipment modifications to incorporate PCM
4 into their multi-layer bags. Glad continues to test PCM
5 from one supplier and indicated when renovations are
6 complete they can use up to 3 percent PCM in their trash
7 bags. Board staff will continue to work with Glad through
8 the balance of 2006 and is optimistic that Glad will begin
9 production of bags at 3 percent PCM.

10 --o0o--

11 MS. INGLE: Glad was granted a conditional
12 approval for 2005 reporting period -- a conditional
13 approval for the '04 reporting period. As stipulated in
14 their Resolution, they've been meeting the commitments of
15 the conditional approval. These conditions include
16 attending quarterly meetings during 2006 with Board staff.
17 Thus far, we have met in January and March and are
18 scheduled to meet again in June on June 28th. Glad has
19 also been submitting their quarterly reports.

20 --o0o--

21 MS. INGLE: Pactiv Corporation shows a history --
22 next slide.

23 --o0o--

24 MS. INGLE: Pactiv Corporation shows a decrease
25 in PCM use from 2001 to present, yet their sales of

1 regulated trash bags into California have increased every
2 year. Pactiv manufactures the Hefty bag and discontinued
3 their Renew brand due to poor sales of trash bags that use
4 significant amounts of postconsumer material.

5 --o0o--

6 MS. INGLE: Starting in 2003, Pactiv promised to
7 use significantly more PCM because they completed 3.5
8 million in capital improvements to modify their production
9 lines. But these improvements have not appeared to
10 increase PCM use in their manufacturing.

11 Although Pactiv has the ability to re-process
12 resins from bailed stretch wrap, they still have only 2.5
13 tons of PCM in 2005. Pactiv has committed to increasing
14 their PCM content and focus more on bailed film since they
15 have the ability to clean and palletize postconsumer
16 material.

17 Board staff will continue to work with Pactiv
18 through 2006 and hopes that Pactiv will devote their
19 resources towards sourcing PCM that is parallel with their
20 3.5 million investment and modifications to their
21 production lines.

22 --o0o--

23 MS. INGLE: Pactiv was also granted a conditional
24 approval for the 2004 reporting period and have been
25 meeting the commitments of the conditional approval by

1 attending quarterly meetings during 2006 with Board staff.
2 We've also met with Pactiv representatives in January and
3 March and are also scheduled for a meeting on June 28th.
4 Pactiv has been submitting their quarterly
5 reports and supporting the Board's film collection and
6 collaborative work groups. Also, Pactiv has been
7 participating in the film plastic work groups. I just
8 said that.

9 --o0o--

10 MS. INGLE: Board staff is recommending a
11 conditional approval for '04 since the conditions required
12 by the Board for '04 are still in progress.

13 Republic Bag. Postconsumer material for Republic
14 Bag use has dramatically decreased from 2002 to present.
15 Republic Bag reported to staff that the company was close
16 to bankruptcy due to financial issues. They sent a letter
17 stating high cost of labor, energy, and PCM was making it
18 difficult for them to stay in business along with
19 companies importing bags from outside the U.S.

20 --o0o--

21 MS. INGLE: Republic Bag used zero tons of PCM in
22 2005. This is the second exemption request for Republic
23 Bag. Republic Bag did not submit any documentation to
24 address the criteria for an exemption as stated in the
25 certification packet they received. And staff believes

1 Republic Bag did not meet the criteria to obtain an
2 exemption for 2005.

3 --o0o--

4 MS. INGLE: Trans Western Polymers. Trans
5 Western Polymers used zero tons of postconsumer material
6 in 2005. Since a key employee, Greg Moriarty, left the
7 company, any efforts to bring Trans Western Polymers into
8 compliance has ceased.

9 --o0o--

10 MS. INGLE: Trans Western submitted no supporting
11 documentation. In fact, they returned their form late
12 after the March 1st deadline because staff contacted them
13 about returning their 2005 certification. Staff believes
14 Trans Western Polymers did not meet the criteria to obtain
15 an exemption for 2005.

16 --o0o--

17 MS. INGLE: The Board has five options. One is
18 to approve the exemption. Two is to offer a conditional
19 approval. Three is to disapprove the exemptions. Four,
20 take no action. Or five, provide further direction.

21 --o0o--

22 MS. INGLE: Based on the information provided,
23 staff recommends the Committee adopt Option 1, therefore
24 granting Poly-America an exemption.

25 --o0o--

1 MS. INGLE: On the other hand, staff recommends
2 the Committee approve Option 2 and approve a conditional
3 exemption for Glad Manufacturing and Pactiv Corporation.

4 --o0o--

5 MS. INGLE: Staff recommends Option 3 to
6 disapprove the exemption request for Trans Western
7 Polymers and Republic Bag and direct staff to place these
8 companies on the list of non-compliant manufacturers and
9 wholesalers for 2005 and publish the list on the waste
10 Board's website.

11 This concludes my presentation.

12 --o0o--

13 MS. INGLE: Do you have any questions?

14 CHAIRPERSON PETERSEN: Cheryl, question.

15 COMMITTEE MEMBER PEACE: I'm just wondering with
16 Glad, it says here that Glad's efforts have focused on
17 sourcing from bailed material recovery facilities and
18 suppliers, that these efforts have not sufficiently been
19 documented. They haven't been documenting there's --
20 other sources that are not available. So it doesn't sound
21 to me like they're trying very hard. So why are you
22 asking for the conditional exemption?

23 SUPERVISOR LEAON: This is Michael Leason,
24 Supervisor of the Plastics Recycling Technology Section.

25 When we adopted -- when the Board approved the

1 conditional approval for the 2004 reporting period, I
2 think in a sense that kind of obligated us to continue
3 working with both Glad and Pactiv through 2006. And
4 essentially by default, we would have to conditionally
5 approve for the 2005 reporting period as well because we
6 have not finished the process in 2006 and we've already
7 granted a conditional exemption for 2004. The 2005
8 reporting period already expired when we granted that
9 exemption for conditional exemption for '04.

10 So on the basis of consistency and equity, I
11 think staff's recommendation is that the Board also
12 conditionally approve the 2005 exemption request and give
13 us time to finish working with both Glad and Pactiv and
14 see if they can achieve some results.

15 COMMITTEE MEMBER PEACE: I guess I just have to
16 say that I really don't believe the statute even allows us
17 to give a conditional exemption. I read through the
18 statute again and I didn't see anything in there that
19 allows us to do that. And I especially don't believe it's
20 within the scope of the statute to go backwards. I know
21 we granted an exemption for 2004 based on conditions they
22 would do -- that based on conditions agreed to in December
23 of '05. I don't know how we can do that. And then
24 they're asking for an exemption for 2005 for things they
25 agree to do in 2006. I don't think the statute really

1 allows us to do that. They should not have gotten an
2 exemption for 2004. They should not have gotten an
3 exemption for 2005. If they do all the things we're
4 asking them to do in 2006, then to me it seems like the
5 Board could consider giving them an exemption for 2006 if
6 they do all the things that we're asking them to do. But
7 I can't agree with what staff is recommending on Glad or
8 Pactiv, because to me I don't even think that's allowed in
9 the statute.

10 CHAIRPERSON PETERSEN: Thank you, Cheryl.

11 Oh, Elliot.

12 STAFF COUNSEL BLOCK: Thank you. Just for the
13 record, I think it's important to make clear that the
14 Legal Office has opined in the past and continues to
15 believe that in general the Board does have the authority
16 to grant a conditional exemption. It's within the
17 continuum between not granting one and granting approval.
18 So I want the record to reflect that.

19 However, separate from that, whether in fact a
20 conditional exemption should be granted or not -- and I
21 think most of the comments you made really were zeroed in
22 on whether in fact they've done some of the things the
23 Board wanted them to do. That is a different issue.
24 That's essentially a factual issue for the Committee and
25 then the Board to decide. But I think it was important

1 that the Legal Office does believe we do have the general
2 authority to grant a conditional exemption. Whether or
3 not it ought to be granted is something for the Committee
4 and the Board to decide.

5 COMMITTEE MEMBER PEACE: I just have to say I
6 respectfully disagree with our Legal staff. To grant an
7 exemption for things in the past, I don't see how we can
8 do that.

9 CHAIRPERSON PETERSEN: Okay. Pat.

10 COMMITTEE MEMBER WIGGINS: I support giving an
11 exemption to Poly-America. At least they're getting
12 close. And I object to having an exemption to Glad,
13 Pactiv, Republic, or Trans Western. They're not doing
14 anything. So that's my recommendation.

15 CHAIRPERSON PETERSEN: Okay. We have one
16 speaker. Scott, please.

17 MR. SMITHLINE: Good morning, Mr. Chair, Board
18 members, Committee Members, Board Member Danzinger. I'm
19 Scott Smithline with the environmental group Californians
20 Against Waste.

21 Californians Against Waste recognizes that there
22 are limits to this law. But we believe that it is
23 incumbent upon this Board to enforce the law as it is on
24 the books. There is a process for changing laws. This
25 Board has commented. Industry has commented. And

1 frankly, Californians Against Waste has agreed this is not
2 the most effective law and that we all ought to be working
3 to try to do something different. And we are still
4 actively going to be engaged in that process.

5 In the interim, we believe it is the job of this
6 Board to enforce this law to the letter. And with respect
7 to that, I would just like to comment I feel the need to
8 respond to the agenda item. We commented last year
9 that -- at this last year in December when we were
10 actually talking about 2004 exemptions that we didn't
11 believe it was within the scope of the statute for the
12 Board to be granting exemptions. We still believe that's
13 the case.

14 However, if the Board moves forward granting
15 exemptions, we most strongly agree with the comments of
16 Board Member Peace that it is not in furtherance of the
17 intent of the statute to grant an exemption for a previous
18 year based on the promise of future conduct. And I think
19 that actually is directly inconsistent with the statute
20 which talks about making reasonable efforts in the
21 reporting period.

22 And secondly, these exemptions have been granted
23 historically now for several years, and they're not
24 working. We're not getting where we need to go. So I
25 understand the staff feels a little bit of a bind. We

1 have begun a process. But I think just because we've gone
2 down a road, I think it's okay to say we have to stop
3 going down the road and figure out another way to go. So
4 I'll leave it at that. Thank you.

5 CHAIRPERSON PETERSEN: Thank you, Scott.

6 Are there any other comments or questions?

7 Lori, did you want to comment?

8 COMMITTEE MEMBER PEACE: Can I ask staff a
9 question? When we grant these conditional exemptions to
10 these two non-compliant companies, for all the other
11 non-compliant companies, were they given the same option
12 for like when this happened, were they given a letter that
13 says, you know, if you submit quarterly reports and come
14 to our meetings that you too can get an exemption? To me,
15 that doesn't sound fair if they weren't allowed the same
16 conditions as these two.

17 SUPERVISOR LEAON: Yes, Michael Leao.

18 They were notified the Board was going to be
19 considering their exemption request. And those companies
20 chose not to send a representative to the Board meeting.
21 So they didn't avail themselves of the opportunity by
22 being present to have that as an option for them.

23 The conditional exemptions did not come up until
24 I believe the December item. And the process started in
25 August. And all the companies that had requested an

1 exemption were notified that they should be present at the
2 August Board meeting. And they did not attempt to
3 participate in the process.

4 CHAIRPERSON PETERSEN: Thank you.
5 Jim.

6 MR. MC CABE: Good morning. My name is Jim
7 McCabe with the Clorox Company; Glad Manufacturing
8 Companies, a wholly owned subsidiary of the Clorox
9 Company.

10 Just a couple points. The first is when you view
11 the bottom line and then look at the amounts of PCR and
12 compliant and non-compliant products, you need to
13 understand there's conditions which -- market forces which
14 are creating those. It could be some of those
15 manufacturers have their own internal processes. They're
16 able to obtain the materials. They're able to wash them,
17 clean them, palletize, and get them into the product.

18 The other thing is some of these manufacturers
19 use different types of plastics. HDPE is more readily
20 available. The plastics we use and much of what Pactiv
21 uses is LLDPE. That is not readily available. I just
22 want to make sure you understand the bottom line of what
23 that data represents.

24 I also wanted to make clear the efforts that Glad
25 has conducted over the last two years. We've identified a

1 PCR supplier and worked with them diligently over the last
2 two years to obtain and incorporate PCR into our trash
3 bags. This required first of all qualifying the PCR. We
4 bought 5,000 pounds. We had to modify our manufacturing
5 because of the structure of the bags. We had to find a
6 way to get that PCR into the middle portion of the bag.
7 That costs capital costs.

8 In the mean time, we were working with Delta and
9 trying to obtain some more PCR. They had a difficult time
10 in providing it to us. Currently, we've purchased over
11 110,000 pounds. We've run some trial runs. We're looking
12 at blending capacities and the opportunity to incorporate
13 more.

14 Right now we're trying to determine what's the
15 best option. Right now, we're looking at \$2 million
16 capital investment. Is that the right decision? That's
17 the path we're taking right now. So we are acting on it.

18 Lately, there's been health related issue due to
19 the material. It's an ag resin that we're purchasing.
20 Now we've got worker related issues we need to resolve.
21 That's why it's taking some time for us to incorporate
22 PCR. We're working with staff. We're meeting with them
23 quarterly to ensure that our progress is meeting their
24 requirements. Thank you.

25 CHAIRPERSON PETERSEN: Thank you, Jim.

1 Well, since I've been in the recycling business a
2 while and we do watch and see how the markets develop, we
3 do take a hard look at how we get supply, what products
4 we're making, where the economics of all this goes.

5 And in just looking around, I received
6 information from Mountain Valley Recycling that they had
7 more than enough supply over a million pounds of
8 postconsumer linear low density that would meet Clorox and
9 Pactiv's needs. That was just one source. Don't know if
10 it met the particular specs on their material. But
11 evidently there's somebody out there that has this. I'm
12 new to the Board. I've been here five months. I've
13 watched how the different industries and recycling respond
14 to try to meet the recycled content requirements or try to
15 respond by the economics of how you make -- close the loop
16 on these materials.

17 So at this point, I'm going to agree with the
18 Poly-America exemption. I think that's good. They've
19 shown good faith in going where they're going and handling
20 quite a bit more material than some of the others that are
21 on this list. And right now, I'd like to figure out --
22 Elliot, if you wouldn't mind -- how we're going to handle
23 the motion on this? Because Glad and Pactiv I would like
24 to go for Option 3, please, and I think I have the support
25 of the Committee, and to exempt Poly-America. How do we

1 handle that?

2 STAFF COUNSEL BLOCK: You've got five draft
3 resolutions. Each company has a different one. Although
4 without looking at it, I believe probably Glad and Pactiv
5 right now are for approval of the conditional exemption.
6 So you would need to make the motion to also indicate you
7 want a revised Resolution. And correct me if I'm wrong, I
8 assume the Poly-America right now the draft shows approval
9 of the exemption and the other two that are left. Show
10 just the two that you have to modify.

11 CHAIRPERSON PETERSEN: Let's take that one first.

12 COMMITTEE MEMBER WIGGINS: Well, I'll move a no
13 vote on Resolution 2006-105, which is Glad Manufacturing.

14 CHAIRPERSON PETERSEN: Just a revised Resolution.
15 Do Poly-America first.

16 COMMITTEE MEMBER WIGGINS: All right. I move
17 acceptance of Resolution 2006-107, Poly-America.

18 COMMITTEE MEMBER PEACE: Second.

19 CHAIRPERSON PETERSEN: Deb.

20 EXECUTIVE ASSISTANT BALLUCH: Peace?

21 COMMITTEE MEMBER PEACE: Aye.

22 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

23 COMMITTEE MEMBER WIGGINS: Aye.

24 EXECUTIVE ASSISTANT BALLUCH: Petersen?

25 CHAIRPERSON PETERSEN: Aye.

1 Now we'd like to do on the issue for Glad and
2 Pactiv. I guess can we do Republic and Trans Western? We
3 can them at all one time?

4 STAFF COUNSEL BLOCK: I would suggest doing
5 Republic and Trans Western separately because those are
6 disapprovals and you're not going to have to revise the
7 Resolution. So you can do those two in one motion.

8 COMMITTEE MEMBER WIGGINS: Republic and Trans
9 Western separately. Okay. Then I move a no vote on
10 Resolution 2000 --

11 CHAIRPERSON PETERSEN: To approve that one.

12 ACTING DEPUTY DIRECTOR SMITH: To approve the
13 denial.

14 CHAIRPERSON PETERSEN: To approve the denial.

15 COMMITTEE MEMBER WIGGINS: I'm sorry. It is a
16 denial.

17 CHAIRPERSON PETERSEN: Right.

18 COMMITTEE MEMBER WIGGINS: Oh, okay. Then I
19 support Resolution 2006 -- move support of Resolution
20 2006-105, Glad Manufacturing.

21 CHAIRPERSON PETERSEN: No. 108.

22 COMMITTEE MEMBER PEACE: I would like to move
23 Resolution 2006-108 and 2006-109 as written.

24 CHAIRPERSON PETERSEN: Can we get a -- we're
25 denying.

1 COMMITTEE MEMBER WIGGINS: I second the motion.

2 CHAIRPERSON PETERSEN: Deb.

3 EXECUTIVE ASSISTANT BALLUCH: Peace?

4 COMMITTEE MEMBER PEACE: Aye.

5 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

6 COMMITTEE MEMBER WIGGINS: Aye.

7 EXECUTIVE ASSISTANT BALLUCH: Petersen.

8 CHAIRPERSON PETERSEN: Aye.

9 Now with regards to Resolution 2006-105 and
10 2006-106, Glad and Pactiv, I'd like to move for adoption
11 of number three, amend this. Amended Resolution to those.

12 COMMITTEE MEMBER WIGGINS: That's to oppose?

13 COMMITTEE MEMBER PEACE: To approve Option 3.

14 STAFF COUNSEL BLOCK: Let me go ahead and try to
15 clarify.

16 Your motion based on what it sounds like you want
17 to do can be to adopt Resolutions 2006-105 and 2006-106
18 with direction to staff to revise those to reflect Option
19 3 which would be disapproval of the exemption.

20 CHAIRPERSON PETERSEN: Correct.

21 COMMITTEE MEMBER WIGGINS: Okay.

22 CHAIRPERSON PETERSEN: Who made that motion?

23 COMMITTEE MEMBER WIGGINS: I move that we revise
24 Resolution 2006-105 and 2006-106 to have Option 3
25 inserted.

1 COMMITTEE MEMBER PEACE: Second.

2 CHAIRPERSON PETERSEN: Deb?

3 EXECUTIVE ASSISTANT BALLUCH: Peace?

4 COMMITTEE MEMBER PEACE: Aye.

5 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

6 COMMITTEE MEMBER WIGGINS: Aye.

7 EXECUTIVE ASSISTANT BALLUCH: Petersen?

8 CHAIRPERSON PETERSEN: Aye.

9 And I believe that is the end of today's agenda.

10 ACTING DEPUTY DIRECTOR SMITH: There's one more.

11 CHAIRPERSON PETERSEN: Oh, we have one more? Oh,
12 that's right.

13 ACTING DEPUTY DIRECTOR SMITH: We changed the
14 order.

15 CHAIRPERSON PETERSEN: Let's go to 17.

16 ACTING DEPUTY DIRECTOR SMITH: And Sue Ingle will
17 make that presentation. And this is Consideration of
18 Plastic Trash Bag Manufacturers and Wholesalers Compliance
19 with the Plastic Trash Bag Law for 2005 Reporting Period.

20 --o0o--

21 MS. INGLE: Okay. Here we go again, round two.
22 Hello, Committee Chair and Board members.

23 --o0o--

24 MS. INGLE: This is Item 17 which concerns the
25 plastic trash bag manufacturers and wholesalers compliance

1 with the Trash Bag Law for 2005 reporting period. The
2 Plastic Trash Bag Law requires all manufacturers and
3 wholesalers of regulated bags .7 mil or thicker to certify
4 with the state of California of their California sales.

5 --o0o--

6 MS. INGLE: It requires the Board to publish a
7 list of any manufacturers and wholesalers who have failed
8 to comply with the law. The Department of General
9 Services utilizes the Board's published list to confirm
10 eligibility for award of contracts by the state of
11 California. Manufacturers are required to annually
12 certify by meeting the law using one of the following
13 options, and these we went through on the last item,
14 Agenda Item 18. They're the same. Must use 10 percent
15 postconsumer material or choose 30 percent in all their
16 plastic products or request an exemption due to
17 insufficient quality and quantities of postconsumer.

18 --o0o--

19 MS. INGLE: There were 94 certifications mailed
20 in December 2005 to manufacturers of plastic trash bags.
21 Twenty-eight of these manufacturers met the postconsumer
22 content requirement and reported using between 10 and 89
23 percent PCM in their regulated bags last year. There were
24 a total of 36 manufacturers that did not respond; 5 were
25 out of business; 17 were determined to be out of

1 compliance; and 14 companies with their regulatory status
2 is unknown.

3 --o0o--

4 MS. INGLE: Wholesalers are required to annually
5 report to the Board the amount of plastic trash bags sold
6 into California. They're also required to report who they
7 ship to, the locations, and the identity of the
8 manufacturers and wholesalers from whom they purchased
9 regulated trash bags.

10 --o0o--

11 MS. INGLE: Results of the wholesalers'
12 certification are shown on this table. There were 232
13 certifications mailed to businesses with 90 demonstrating
14 compliance as wholesalers. Eighty-six companies did not
15 respond, of which 27 were determined to be out of
16 compliance and 54 companies their regulatory status is yet
17 to be determined.

18 --o0o--

19 MS. INGLE: Staff determined there were 44
20 non-compliant manufacturers and wholesalers for the 2005
21 reporting period. This is a much larger group than in
22 2004 and previous years. Non-compliant manufacturers and
23 wholesalers are determined by several factors including,
24 one, they did not return the certification form on time,
25 or either they were identified by a wholesaler as selling

1 regulated trash bags into California, or their bags were
2 found on store shelves, or they reported in the past.

3 --o0o--

4 MS. INGLE: Here's a history of the postconsumer
5 material usage in regulated trash bags. Since 2001, the
6 amount of postconsumer resin usage in bags has decreased
7 by 52 percent, but the account of regulated trash bags
8 sold into California has increased by 22 percent. This
9 could be attributed to improvements in their production
10 techniques and the ability to manufacture lighter and
11 stronger bags.

12 --o0o--

13 MS. INGLE: Moving on to Option 1. This option
14 would adopt and publish a combined list of non-compliant
15 manufacturers and wholesalers, a list that satisfies their
16 requirements of the Plastic Trash Bag Law. This option
17 also recommends adopting a list of manufacturers that met
18 the 10 percent postconsumer resin requirements. This
19 compliant list of manufacturers would assist State
20 entities with procurement purchasing requirements for the
21 State Buy Recycled Law.

22 --o0o--

23 MS. INGLE: Option 2 recommends adopting a single
24 list of non-compliant manufacturers and wholesalers. And
25 again, this list is the only one that is statutorily

1 mandated. Option 3 would take no action and direct staff
2 to return to the Board at a future time.

3 --o0o--

4 MS. INGLE: Staff recommends adopting Option 1.
5 This concludes my presentation. And the trash bag lady
6 has spoken.

7 CHAIRPERSON PETERSEN: Okay. Do we have any
8 questions?

9 COMMITTEE MEMBER WIGGINS: Yeah. I think we
10 should add to the non-compliant list Glad, Pactiv,
11 Republic, and Trans Western.

12 CHAIRPERSON PETERSEN: I think we've already done
13 in the past motion, and that will automatically be added
14 to that list.

15 COMMITTEE MEMBER WIGGINS: It will be
16 automatically added on after the --

17 MS. INGLE: After the Board determines their
18 compliance status, we'll update the non-compliant list.

19 COMMITTEE MEMBER PEACE: I'd like to move
20 Resolution 2006-104.

21 COMMITTEE MEMBER WIGGINS: Second.

22 CHAIRPERSON PETERSEN: Deb?

23 EXECUTIVE ASSISTANT BALLUCH: Peace?

24 COMMITTEE MEMBER PEACE: Aye.

25 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

1 COMMITTEE MEMBER WIGGINS: Aye.

2 EXECUTIVE ASSISTANT BALLUCH: Petersen?

3 CHAIRPERSON PETERSEN: Aye.

4 There is a couple of things I wanted to clarify
5 before we giddy-up out of here.

6 The direction on the e-waste regulations, Item F
7 on today's agenda, is to issue the changes proposed by
8 staff in Amendment 3 to the item for a 15-day comment
9 period. I want to make sure we're all on the same page,
10 Attachment 3. Okay.

11 And then another announcement here. A working
12 session of the Board was noticed to begin in this room at
13 the close of this meeting. We will convene the working
14 session at 1:30. So we'll have lunch. And I want to
15 thank staff for all your work and all the stuff you guys
16 do. You've been great, and Committee members. And I
17 guess we're adjourned until 1:30.

18 (Thereupon the California Integrated Waste
19 Management Board, Sustainability and Market
20 Development Committee Adjourned at 12:06 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 20th day June, 2006.

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